Small Business Plan Tool
User Manual

Prepared by:

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Powered by:

MBM Consulting
(http://mbm-consulting.com/)

List of Acronyms and Abbreviations

S-BizT	:	A financial model to obtain financial projections of a company. The word "S-BizT" is exchangeable to "financial model" or "spreadsheet" or "model"
DCF	:	Discounted Cash Flow
DLOC	:	Discount Lack of Control
DLOM	:	Discount Lack of Marketability
KD	:	Cost of Debt
KE	:	Cost of Equity

Introduction

1.1. Overview

This user's manual is a step-by-step guidance to use a Small Business Planning Tool or S-BizT. By following through this user's manual, user will have a clear idea on how this financial model works and how to plan their business financial projection appropriately.

1.2. Purpose of the S-BizT

S-BizT is an MS Excel based tool, created to perform financial projection of a business. By inputting projection assumptions, users can plan on how to run their business well. Not all type of businesses can be planned using S-BizT as different type of businesses requires different elements of revenue and cost generators, as well as its accounting treatment. S-BizT fits for planning several business types, as follows:

- Manufacturing
- Retail store
- Trading

S-BitzT Financial Modeling Best Practices

2.1. Requirements under S-BizT Best Practices for Financial Modelling

S-BizT is developed based on MS Excel 2010, employing best practice standards to the extent possible given the complexity of the transaction and the various input assumptions.

Among others, in compliance with S-BizT best practices for financial modeling, the following steps were taken:

- Separation of worksheets containing input worksheets (for historical data and assumptions), calculation worksheets and output worksheets
- Complex, nested functions are avoided and minimization of use of macros
- Reduction/eradication of circular calculation thus avoiding circular reference problems
- Password-protected to ensure security of data
- Logical flow – from top to bottom, left to right (within worksheets and across workbook)

Financial Model Structure & Worksheets

3.1. User's Manual Approach

In order for the user to easy in understanding how the model works, S-BizT team has pre-populated the assumptions worksheets with dummy numbers. The company provided is an imaginary company.

3.2. Worksheet Classification

In general, each worksheet has been categorized as follows:

- **Input Worksheets:** input assumptions entered on these worksheets represent inputs to the financial model.

For ease of use/access, these worksheets are light brown color coded tabs, in which input assumptions among others relating to historical data and assumptions are entered and indicated in light brown color coded cells.

In order to maintaining the model integrity, mathematically correctness as well as user-friendliness of the spreadsheet, only cells with light brown color coded are accessible.

All assumptions are inputted via the Input Worksheets.

- **Calculation Worksheets:** calculations are made on the inputted assumptions in order to derive an output. Calculation Worksheets are used to avoid complex nested functions and macros.

  The calculations worksheets are hidden to maintaining the model integrity and to avoid any mathematical error within the financial model.

- **Output Worksheets**: outputs of the financial model, based on the calculations made on the input assumptions, are presented here.

  These worksheets tab are highlighted in dark grey, which provides full financial statements (income statement, balance sheet and cash flow statement), break even calculation result and financial ratios of the company

3.3. Worksheet List

A list of worksheets and their functions is tabulated below in the sequence in which they are currently found in the financial model.

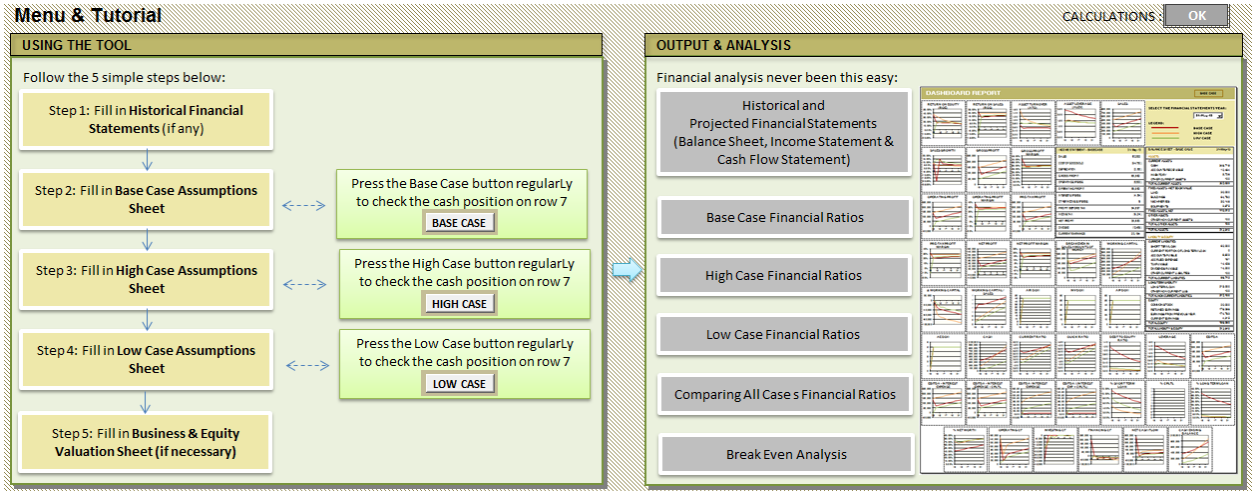
No	Worksheet	Function or Purpose
1	Opening	Provides information such as Disclaimer Agreements
2	Menu	Provides summary contents for all sheets contain in the spreadsheet and a concise tutorial
3	Dashboard	Provides graphical presentation of all of the financial ratios and snapshots of income statement & balance sheet for the selected year generated by the financial model
4	InputSection >	Separation sheet between opening sheets section and input sheets section.
5	HistoricalFS	Input sheet for actual historical data of balance sheet and income statement.
6	BaseCaseAssumptions	Input sheet for your operating, capital expenditures and financing activities assumptions as your base case scenario.
7	HighCaseAssumptions	Input sheet for your operating, capital expenditures and financing activities assumptions as your high case scenario.
8	LowCaseAssumptions	Input sheet for your operating, capital expenditures and financing activities assumptions as your low case scenario.

No	Worksheet	Function or Purpose
9	Valuation	An input as well as an output sheet for calculating and presenting business (or company) value and equity value
10	OutputSection >	Separation sheet between input sheets section and output sheets section.
11	FS	Output sheet for historical and projected income statement, balance sheet, and cash flow statement.
12	BreakEven	Output sheet for breakeven of Sales calculation result in term of certain currency (in USD, £, ¥, etc.) depending on the user's currency selection in the general assumptions sheet.
13	Ratios	Output sheet for a broad range of financial ratios.
14	RatiosBaseCase	Output sheet for a broad range of base case financial ratios results from your base case assumptions input.
15	RatiosHighCase	Output sheet for a broad range of high case financial ratios results from your high case assumptions input.
16	RatiosLowCase	Output sheet for a broad range of low case financial ratios results from your low case assumptions input.
17	AllRatios	Output sheet for a broad range of all cases financial ratios that would assist you in comparing the results of ratios from all cases.

Opening

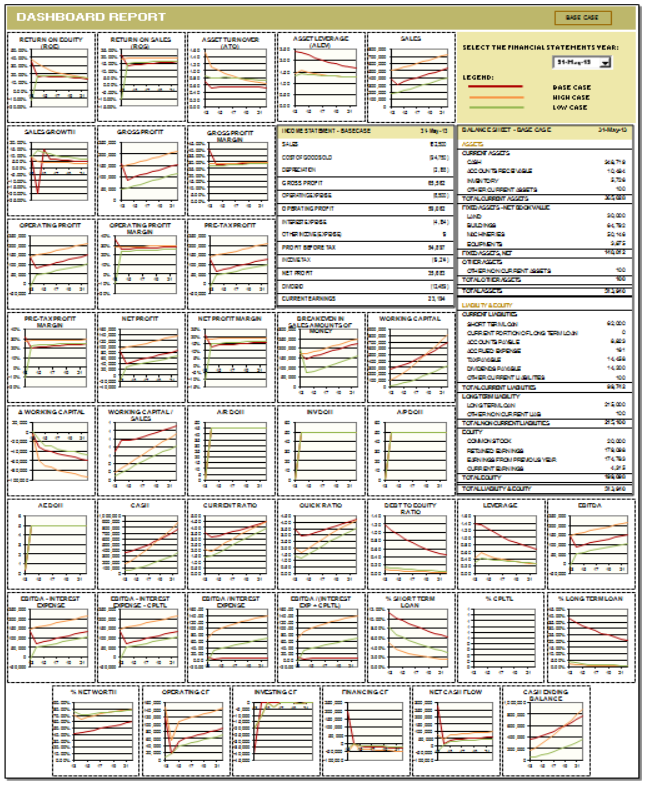
4.1 Menu & Tutorial

This worksheet provides summary contents for all sheets contain in the spreadsheet and a concise tutorial on how to use S-BizT.


Menu & Tutorial
CALCULATIONS :
OK
USING THE TOOL
Follow the 5 simple steps below:
Step 1: Fill in Historical Financial Statements (if any)
Step 2: Fill in Base Case Assumptions Sheet
Press the Base Case button regularly to check the cash position on row 7
BASE CASE
Step 3: Fill in High Case Assumptions Sheet
Press the High Case button regularly to check the cash position on row 7
HIGH CASE
Step 4: Fill in Low Case Assumptions Sheet
Press the Low Case button regularly to check the cash position on row 7
LOW CASE
Step 5: Fill in Business & Equity Valuation Sheet (if necessary)
OUTPUT & ANALYSIS
Financial analysis never been this easy:
Historical and Projected Financial Statements (Balance Sheet, Income Statement & Cash Flow Statement)
Base Case Financial Ratios
High Case Financial Ratios
Low Case Financial Ratios
Comparing All Case s Financial Ratios
Break Even Analysis

4.2 Dashboard

This worksheet provides graphical presentation of all of the financial ratios and snapshots of income statement & balance sheet generated by the financial model.



Using S-BizT

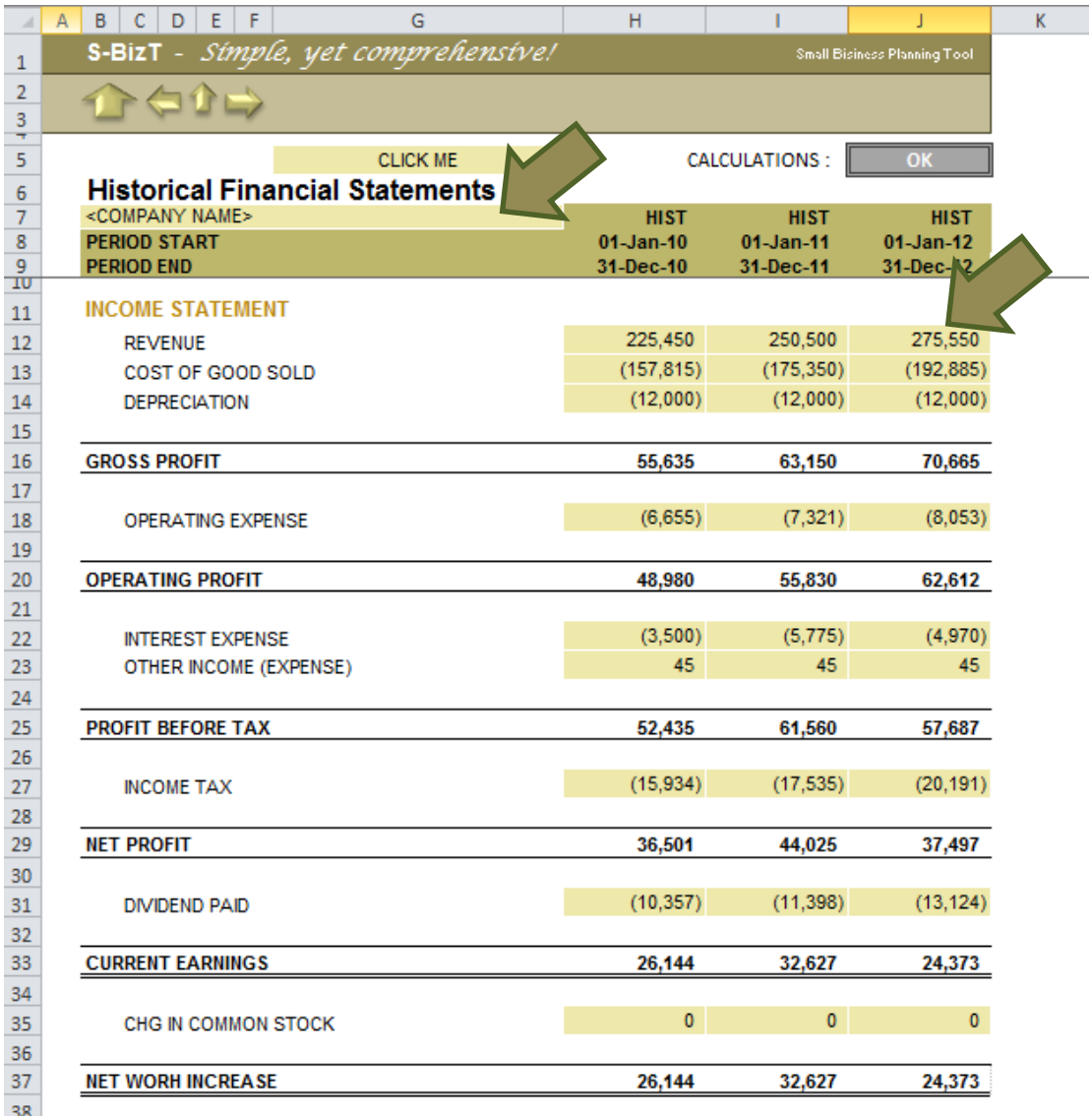
5.1 Historical Data

The only sheets user can put in numbers are sheets with light brown color coded tabs (HistFS, BaseCaseAssumptions, HighCaseAssumptions, LowCaseAssumptions and Valuation).

User can only put in numbers in the light brown color coded cells. This is to maintain a user friendliness of the model. **The provided numbers in the model are for illustration only**; user has to remove the unnecessary numbers and put in user's historical financial statements numbers accordingly.

What user needs to do are :

1. Enter the company/business name at the provided cell as pointed by the arrow at the picture bellow.
2. Continue with entering the business historical financial statements. User only can input this historical financial statements cells if user has historical financial statements. If that is not the case, then just leave all the light brown color coded cells empty.



5.2 Assumptions – Base Case Scenario

Assumptions sheet is where user has to put in numbers to project your company's financial statements.

Assumptions sheet consists of:

A. General assumptions
B. Operating assumptions
C. Other income/ expense assumptions
D. Tax assumptions
E. Dividends assumptions
F. Other balance sheet items assumption
G. Capital expenditure assumptions
H. Equity/ owner's capital assumptions
I. Short term loan assumptions
J. Long term loan assumptions

Details on each item will be explained in section 5.2.2 up to 5.2.10 in this User Manual.

5.2.1 Projection Period

PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ
01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13	01-May-13	01-Jun-13	01-Jul-13	01-Aug-13	01-Sep-13
31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13	31-May-13	30-Jun-13	31-Jul-13	31-Aug-13	30-Sep-13
1	2	3	4	5	6	7	8	9

S-BizT allows user to project their company financial on *monthly basis for the first year projection and yearly basis up to 10 years*. The years of the period depend on the Projection Start Date the user input in the following section.

5.2.2 General Assumptions

Base Case Assumptions Sheet

<COMPANY NAME>	HIST	PROJ
PERIOD START	01-Jan-12	01-Jan-13
PERIOD END	31-Dec-12	31-Jan-13
PERIOD COUNTER		1

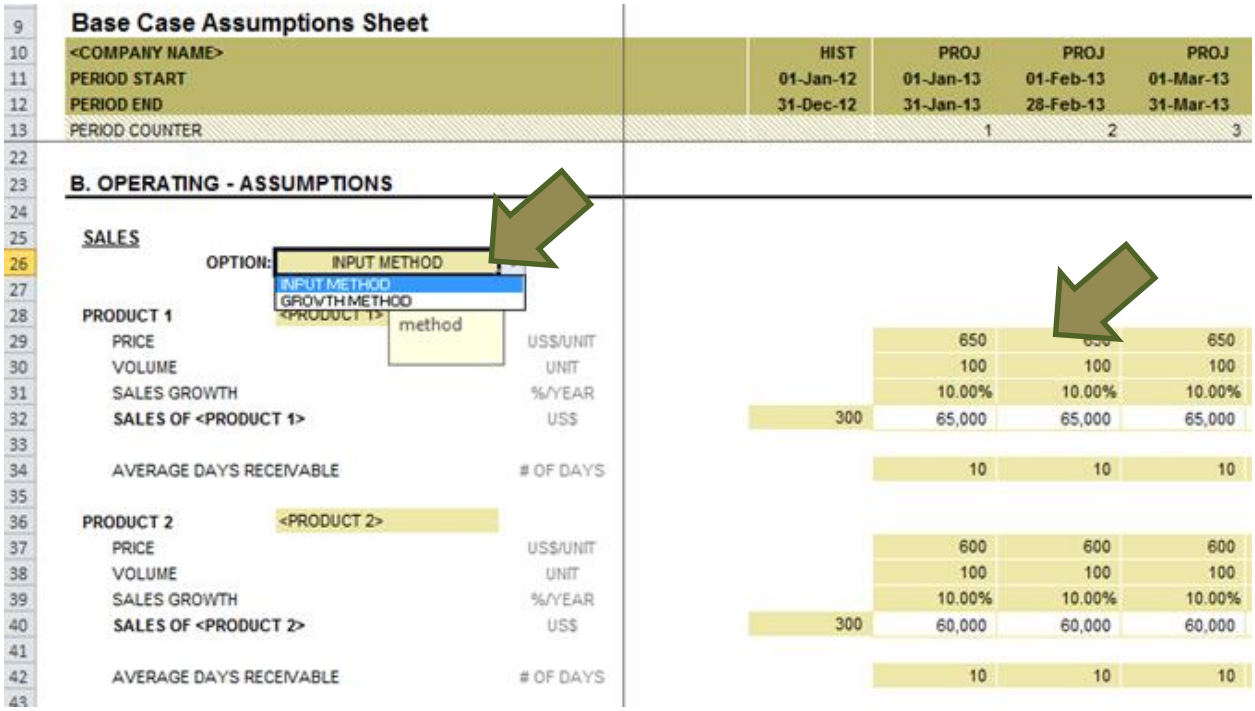
A. GENERAL - ASSUMPTIONS

PROJECTION START DATE	1-Jan-13
LAST FINANCIAL REPORT DATE	31-Dec-13
CURRENCY	US$
NUMBER OF DAYS	31

Put in the Projection Start Date and the type of Currency. The financial model will automatically calculate your latest historical financial statements date. The Currency you input will be used throughout the S-BizT.

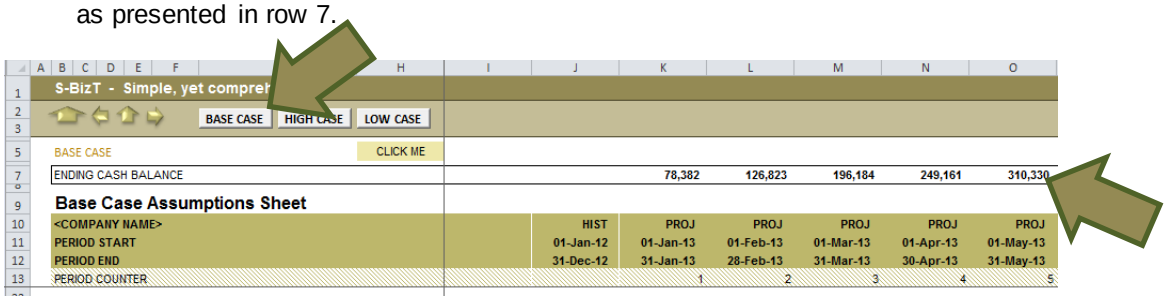
5.2.3 Operating Assumptions

- **Sales**

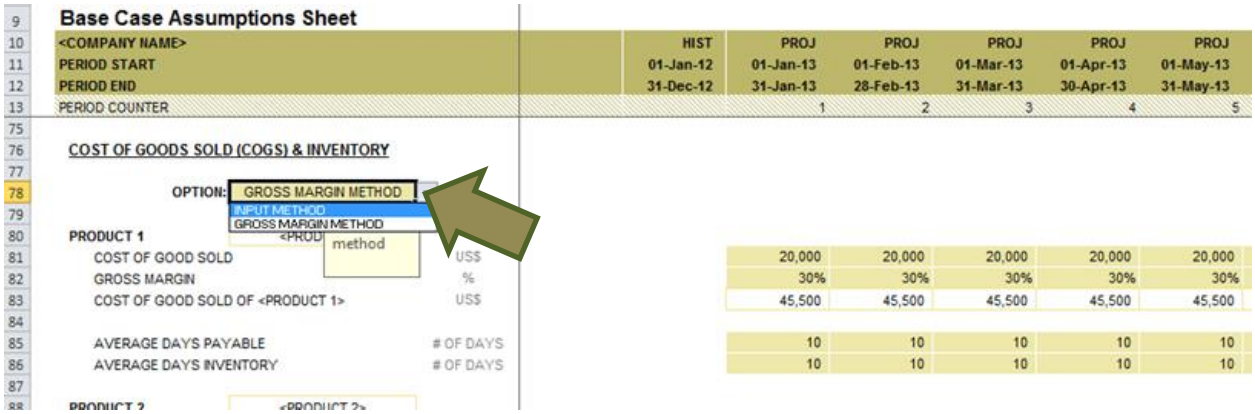

Base Case Assumptions Sheet
<COMPANY NAME>
PERIOD START
PERIOD END
PERIOD COUNTER
HIST 01-Jan-12 31-Dec-12
PROJ 01-Jan-13 31-Jan-13 1
PROJ 01-Feb-13 28-Feb-13 2
PROJ 01-Mar-13 31-Mar-13 3
B. OPERATING - ASSUMPTIONS
SALES
OPTION: INPUT METHOD
INPUT METHOD
GROWTH METHOD
method
PRODUCT 1
<PRODUCT 1>
PRICE US$/UNIT 650 650 650
VOLUME UNIT 100 100 100
SALES GROWTH %/YEAR 10.00% 10.00% 10.00%
SALES OF <PRODUCT 1> US$ 300 65,000 65,000 65,000
AVERAGE DAYS RECEIVABLE # OF DAYS 10 10 10
PRODUCT 2
<PRODUCT 2>
PRICE US$/UNIT 600 600 600
VOLUME UNIT 100 100 100
SALES GROWTH %/YEAR 10.00% 10.00% 10.00%
SALES OF <PRODUCT 2> US$ 300 60,000 60,000 60,000
AVERAGE DAYS RECEIVABLE # OF DAYS 10 10 10

- In projecting Sales user can choose the input calculation method options, which are **Input Method** or **Growth Method**, and subsequently S-BizT will calculate it accordingly.
- S-BizT allows user to plan selling up to 5 products, but if user has more than 5 products, user can input it under **Other Products**. However user has to ensure that user has calculated it on average basis beforehand.
- User can always calculate any data in spare worksheets before incorporating it into the assumptions sheets. Add any of the spare worksheets whenever you need it.

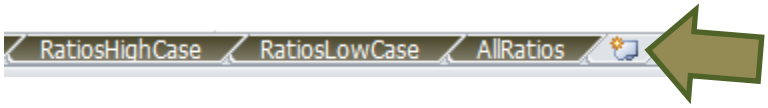
- Put in each of your product names in the provided cells.
- **The provided numbers in the model are for illustration only**; user has to remove the unnecessary numbers and put in the assumption numbers for each post (PRICE, VOLUME, SLAES GROWTH, and AVERAGE DAYS RECEIVABLE) accordingly.
- During the course, press the **"Base Case"** button regularly to check your **Ending Cash Balance** as presented in row 7.


S-BizT - Simple, yet compre
BASE CASE
HIGH CASE
LOW CASE
BASE CASE
CLICK ME
ENDING CASH BALANCE 78,382 126,823 196,184 249,161 310,330
Base Case Assumptions Sheet
<COMPANY NAME>
PERIOD START 01-Jan-12 01-Jan-13 01-Feb-13 01-Mar-13 01-Apr-13 01-May-13
PERIOD END 31-Dec-12 31-Jan-13 28-Feb-13 31-Mar-13 30-Apr-13 31-May-13
PERIOD COUNTER 1 2 3 4 5

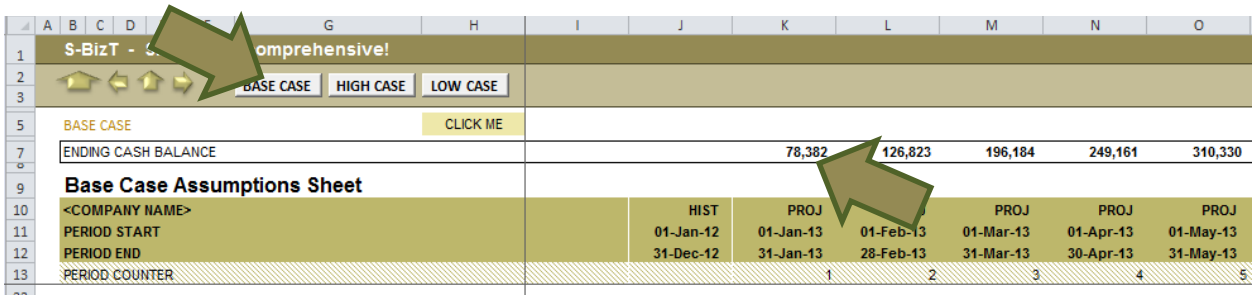
- **Cost of Goods Sold (COGS) & Inventory**



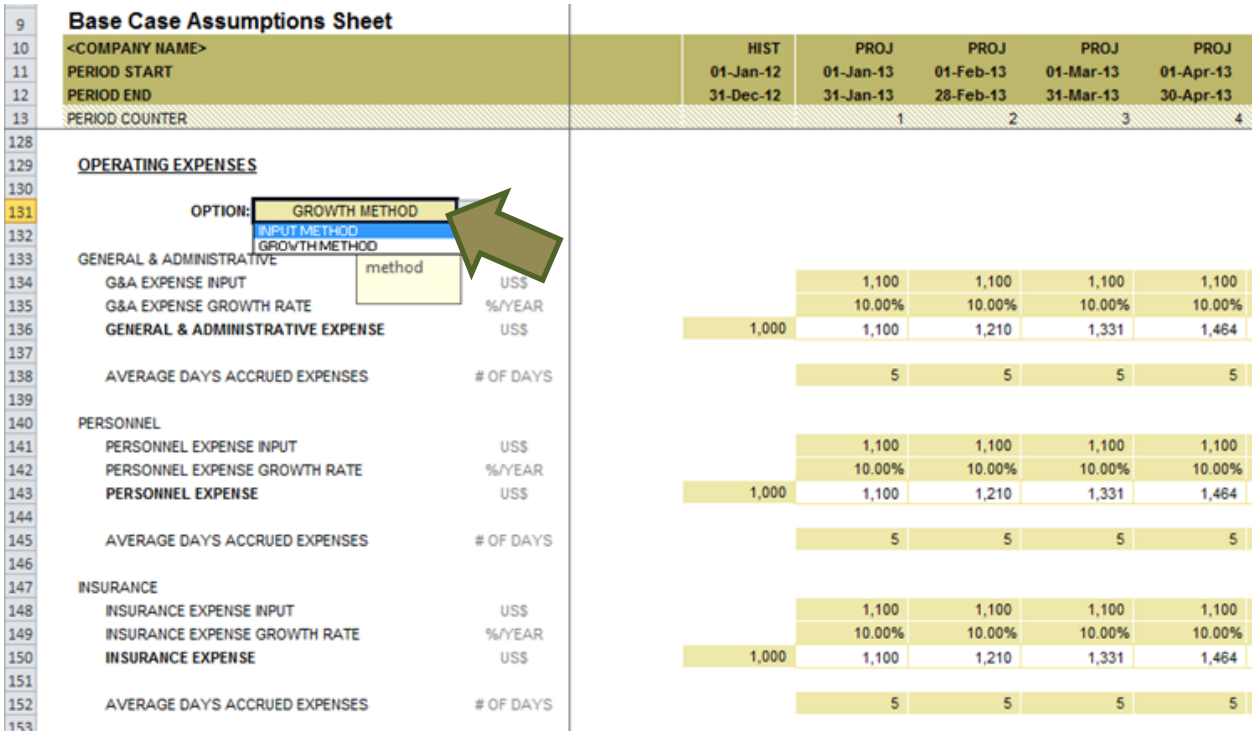
- In projecting COGS user can choose one of the input calculation method options, which are **Input Method** or **Gross Margin Method**, subsequently S-BizT will calculate it accordingly.
- S-BizT allows user to plan COGS up to 5 products as well as **Other Products** related to the Sales assumptions user has input beforehand. For the **Other Products**, user has to ensure that user has calculated it on average basis beforehand.
- You can always calculate any data you have in spare worksheets before you incorporate it into the assumptions sheets. Add any of the spare worksheets whenever you need it.



- Average Days Payable is your company payables turnover in number of days unit.
- Average Days Inventory is your company inventories turnover in number of days unit.
- Average Days Accrued Expense is your company accrued-expenses turnover in number of days unit.
- During the course, press the **"Base Case"** button regularly to check your **Ending Cash Balance** as presented in row 7.



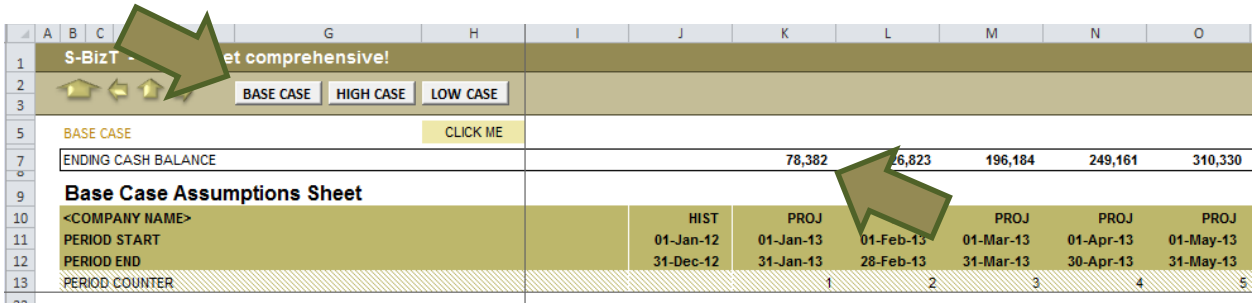
- **Operating Expenses**



Base Case Assumptions Sheet

<COMPANY NAME>		HIST	PROJ	PROJ	PROJ	PROJ
PERIOD START		01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
PERIOD END		31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
PERIOD COUNTER			1	2	3	4
OPERATING EXPENSES						
OPTION:	GROWTH METHOD (INPUT METHOD / GROWTH METHOD)					
GENERAL & ADMINISTRATIVE						
G&A EXPENSE INPUT	US$		1,100	1,100	1,100	1,100
G&A EXPENSE GROWTH RATE	%/YEAR		10.00%	10.00%	10.00%	10.00%
GENERAL & ADMINISTRATIVE EXPENSE	US$	1,000	1,100	1,210	1,331	1,464
AVERAGE DAYS ACCRUED EXPENSES	# OF DAYS		5	5	5	5
PERSONNEL						
PERSONNEL EXPENSE INPUT	US$		1,100	1,100	1,100	1,100
PERSONNEL EXPENSE GROWTH RATE	%/YEAR		10.00%	10.00%	10.00%	10.00%
PERSONNEL EXPENSE	US$	1,000	1,100	1,210	1,331	1,464
AVERAGE DAYS ACCRUED EXPENSES	# OF DAYS		5	5	5	5
INSURANCE						
INSURANCE EXPENSE INPUT	US$		1,100	1,100	1,100	1,100
INSURANCE EXPENSE GROWTH RATE	%/YEAR		10.00%	10.00%	10.00%	10.00%
INSURANCE EXPENSE	US$	1,000	1,100	1,210	1,331	1,464
AVERAGE DAYS ACCRUED EXPENSES	# OF DAYS		5	5	5	5

- Operating Expenses consists of General Administrative, Personnel, Insurance, Transportation and Other Operating Expenses.
- In projecting Operating Expenses user can choose one of the input calculation method options, which are **Input Method** or **Gross Margin Method**, subsequently S-BizT will calculate it accordingly.
- During the course, press the **"Base Case"** button regularly to check your **Ending Cash Balance** as presented in row 7.



S-BizT - ...et comprehensive!

BASE CASE | HIGH CASE | LOW CASE

BASE CASE | CLICK ME

ENDING CASH BALANCE	78,382	26,823	196,184	249,161	310,330

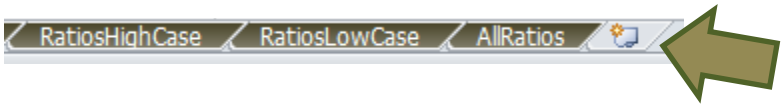
Base Case Assumptions Sheet

<COMPANY NAME>	HIST	PROJ	PROJ	PROJ	PROJ	PROJ
PERIOD START	01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13	01-May-13
PERIOD END	31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13	31-May-13
PERIOD COUNTER		1	2	3	4	5

• 5.2.4 Other Income/ Expense

9	**Base Case Assumptions Sheet**					
10	<COMPANY NAME>		HIST	PROJ	PROJ	PROJ	PROJ
11	PERIOD START		01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
12	PERIOD END		31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
13	PERIOD COUNTER			1	2	3	4
170							
171	**C. OTHER INCOME / EXPENSE**						
172							
173	OTHER INCOME			100	100	100	100
174	OTHER EXPENSE			55	55	55	55
175	OTHER INCOME (EXPENSES)			45	45	45	45
176							

- Put in numbers for Other Income and Other Expense accordingly in the provided cells. Ensure that you have calculated the aggregated Other Income and Other Expense beforehand.
- You can always calculate any data you have in spare worksheets before you incorporate it into the assumptions sheets. Add any of the spare worksheets whenever you need it.



5.2.5 Tax and Dividends

9	**Base Case Assumptions Sheet**					
10	<COMPANY NAME>		HIST	PROJ	PROJ	PROJ	PROJ
11	PERIOD START		01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
12	PERIOD END		31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
13	PERIOD COUNTER			1	2	3	4
176							
177	**D. TAX**						
178							
179	INCOME TAX RATE	%		35.00%	35.00%	35.00%	35.00%
180	TAX PAYABLE DAYS	DAYS		25	25	25	25
181							
182							
183	**E. DIVIDENDS**						
184							
185	DIVIDENDS PAYOUT RATIO	% OF NET INCOME		30.00%	30.00%	30.00%	30.00%
186							
187							

- Put in numbers for Income Tax Rate, Tax Payable Days and Dividend Payout Ratio accordingly in the provided cells.

5.2.6 Other Balance Sheet Items

	Base Case Assumptions Sheet					
10	<COMPANY NAME>	HIST	PROJ	PROJ	PROJ	PROJ
11	PERIOD START	01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
12	PERIOD END	31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
13	PERIOD COUNTER		1	2	3	4
188	**F. OTHER BALANCE SHEET ITEMS**					
190	OTHER CURRENT ASSETS	100	100	100	100	100
191	OTHER NON CURRENT ASSETS	100	100	100	100	100
192	OTHER CURRENT LIABILITIES	100	100	100	100	100
193	OTHER NON CURRENT LIABILITIES	100	100	100	100	100

- Since Other Balance Sheet are usually non-substantial items, therefore projecting them in a certain manner is not common, hence they will be projected automatically by the model the same amount as the last position in the previous period.

5.2.7 Capital Expenditure

	Base Case Assumptions Sheet		
10	<COMPANY NAME>		
11	PERIOD START		
12	PERIOD END		
13	PERIOD COUNTER		
196	**G. CAPITAL EXPENDITURE**		
198	EXISTING FIXED ASSETS		
200	BUILDING		
202	USEFUL LIFE	YEARS	20
204	BUILDING 1 - INITIAL ACQUISITION COST	US$	12,500
205	REMAINING USEFUL LIFE	YEARS	15
207	BUILDING 2 - INITIAL ACQUISITION COST	US$	12,500
208	REMAINING USEFUL LIFE	YEARS	10
210	BUILDING 3 - INITIAL ACQUISITION COST	US$	12,500
211	REMAINING USEFUL LIFE	YEARS	5
213	BUILDING 4 - INITIAL ACQUISITION COST	US$	12,500
214	REMAINING USEFUL LIFE	YEARS	15
216	BUILDING 5 - INITIAL ACQUISITION COST	US$	6,000
217	REMAINING USEFUL LIFE	YEARS	7

9	**Base Case Assumptions Sheet**						
10	<COMPANY NAME>		HIST	PROJ	PROJ	PROJ	PROJ
11	PERIOD START		01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
12	PERIOD END		31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
13	PERIOD COUNTER			1	2	3	4
257							
258	**NEW FIXED ASSETS**						
259							
260	LAND - NEW ACQUISITION	US$		5,000			
261							
262	NEW CAPEX FOR BUILDINGS	US$					
263							
264	NEW CAPEX FOR MACHINERIES	US$			3,000		
265							
266	NEW CAPEX FOR EQUIPMENTS	US$					3,000
267							

- Capital Expenditure consists of Existing Fixed Assets and New Fixed Assets. Each of them consists of Buildings, Machineries and Equipment.
- For Existing Fixed Assets, user has to input the aggregate book value of each type of asset, overall economic useful life and its remaining useful life.
- For New Fixed Assets, user has to input the purchasing plan of each type of asset
- During the course, press the **"Base Case"** button regularly to check your **Ending Cash Balance** as presented in row 7.

1	S-BizT													
2														
3			BASE CASE	HIGH CASE	LOW CASE									
5	BASE CASE		CLICK ME											
7	ENDING CASH BALANCE							78,382	126,623	196,184	249,161	310,330		
9	**Base Case Assumptions Sheet**													
10	<COMPANY NAME>						HIST	PROJ	PROJ	PROJ	PROJ	PROJ		
11	PERIOD START						01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13	01-May-13		
12	PERIOD END						31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13	31-May-13		
13	PERIOD COUNTER							1	2	3	4	5		

5.2.8 Equity/ Owner's Capital

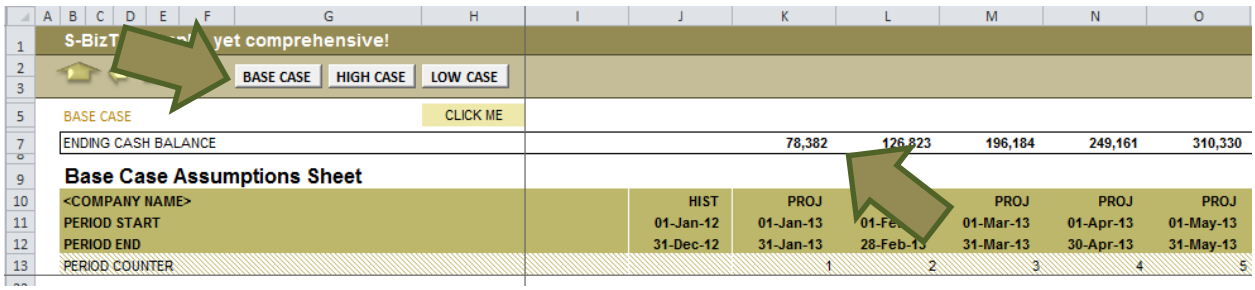
9	**Base Case Assumptions Sheet**						
10	<COMPANY NAME>		HIST	PROJ	PROJ	PROJ	PROJ
11	PERIOD START		01-Jan-12	01-Jan-13	01-Jan-14	01-Jan-15	01-Jan-16
12	PERIOD END		31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16
13	PERIOD COUNTER			1	2	3	4
234							
235	**H. EQUITY/ OWNER'S CAPITAL**						
236							
237	PAID IN CAITAL (INCREMENTAL)	US$					

- Paid in Capital under Equity/ Owner's Capital section is where if the owner of the company injecting (more) money into the company from their own pocket.

5.2.9 Short Term Loan

9	**Base Case Assumptions Sheet**						
10	<COMPANY NAME>		HIST	PROJ	PROJ	PROJ	PROJ
11	PERIOD START		01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
12	PERIOD END		31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
13	PERIOD COUNTER			1	2	3	4
272							
273	**I. SHORT TERM LOAN**						
274							
275	**SHORT TERM LOAN 1**						
276	SHORT TERM LOAN DRAWDOWN	US$					
277	SHORT TERM LOAN REPAYMENT	US$					
278	SHORT TERM LOAN OUTSTANDING	US$	17,000	17,000	17,000	17,000	17,000
279	YEARLY INTEREST RATE	% /YEAR		7.00%	7.00%	7.00%	7.00%
280							
281	**SHORT TERM LOAN 2**						
282	SHORT TERM LOAN DRAWDOWN	US$					
283	SHORT TERM LOAN REPAYMENT	US$					
284	SHORT TERM LOAN OUTSTANDING	US$		-	-	-	-
285	YEARLY INTEREST RATE	% /YEAR		7.00%	7.00%	7.00%	7.00%
286							

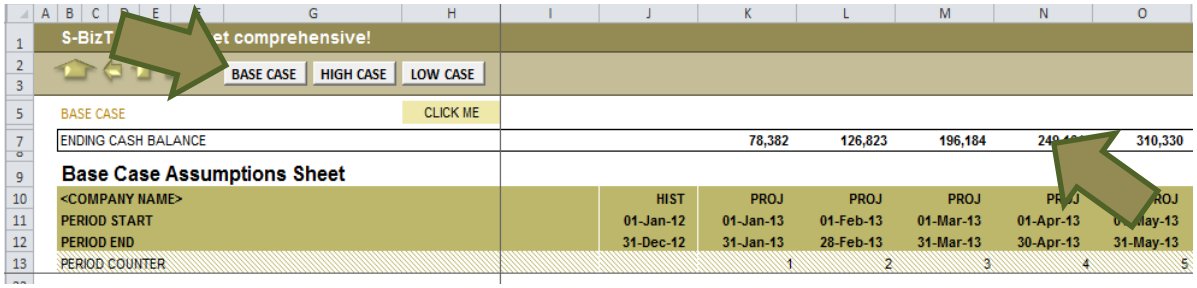
- Along with the growing of the company, operating activities are increasing as well, and the common consequence is the company experiences short of working capital (short of cash to operate the company). Short Term Loan is where user can plan their working capital loan due to the need for additional working capital.
- Each of Short Term Loan item is for a single loan facility. On the sample above the company already has a single US$ 17,000 outstanding of Short Term Loan facility from the previous period.
- If the company has more than one Short Term Loan facility, therefore you have to put in the loan amount accordingly. They fall under the cells of the SHORT TERM LOAN OUTSTANDING post.
- User can also put in additional loan facilities/ amounts into the cells under the SHORT TERM LOAN DRAWDOWN post if the company need more fund.
- If you see your company has excess cash, therefore you can repay the loan into the cells under the SHORT TERM LOAN REPAYMENT post.
- Put in the INTEREST RATE accordingly
- During the course, press the **"Base Case"** button regularly to check your **Ending Cash Balance** as presented in row 7.



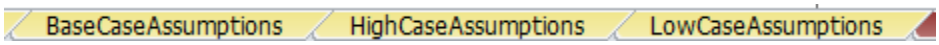
5.2.10 Long Term Loan

9	**Base Case Assumptions Sheet**						
10	<COMPANY NAME>		HIST	PROJ	PROJ	PROJ	PROJ
11	PERIOD START		01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
12	PERIOD END		31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
13	PERIOD COUNTER			1	2	3	4
307							
308	**J. LONG TERM LOAN**						
309							
310	**LONG TERM LOAN 1**						
311	LONG TERM LOAN DRAWDOWN	US$					
312	LONG TERM LOAN REPAYMENT	US$		1,000	1,000	1,000	1,000
313	LONG TERM LOAN OUTSTANDING	US$	20,000	19,000	18,000	17,000	16,000
314	YEARLY INTEREST RATE	% /YEAR		7.00%	7.00%	7.00%	7.00%
315							
316	**LONG TERM LOAN 2**						
317	LONG TERM LOAN DRAWDOWN	US$					
318	LONG TERM LOAN REPAYMENT	US$					
319	LONG TERM LOAN OUTSTANDING	US$		-	-	-	-
320	YEARLY INTEREST RATE	% /YEAR		7.00%	7.00%	7.00%	7.00%
321							

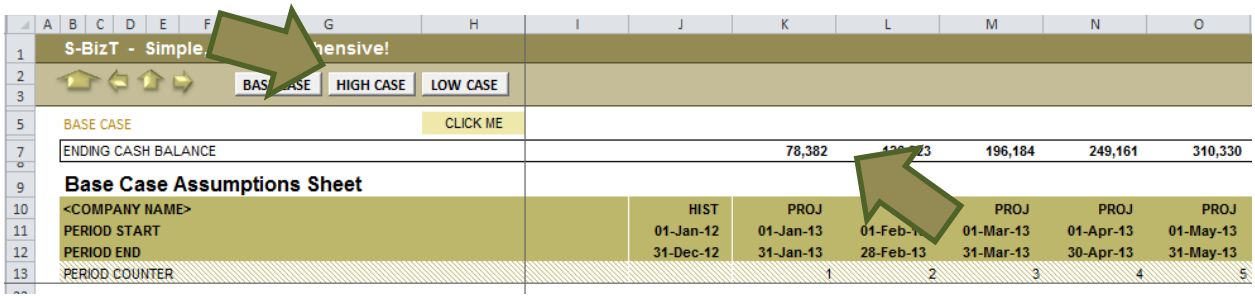
- Long Term Loan is where the company borrow money with the purpose of to fund the company's investment in Fixed Assets, i.e. Buildings, Machineries and Equipment. While land is usually funded by the equity of the company.
- Each of Long Term Loan item is for a single loan facility. On the sample above the company already has a single US$ 20,000 outstanding of Short Term Loan facility from the previous period.
- If the company has more than one Long Term Loan facility, therefore you have to put in the loan amount accordingly. They fall under the cells of the LONG TERM LOAN OUTSTANDING post. Loan to equity ratio is vary from 70:30, 80:10 or other ratios depending on the company negotiation with the bank
- User can also put in additional loan facilities/ amounts into the cells under the LONG TERM LOAN DRAWDOWN post if you need more fund.
- Put in the INTEREST RATE accordingly
- Long Term Loan is reduced according to loan repayment schedule based on the company's cash availability for debt services.
- During the course, press the **"Base Case"** button regularly to check your **Ending Cash Balance** as presented in row 7.



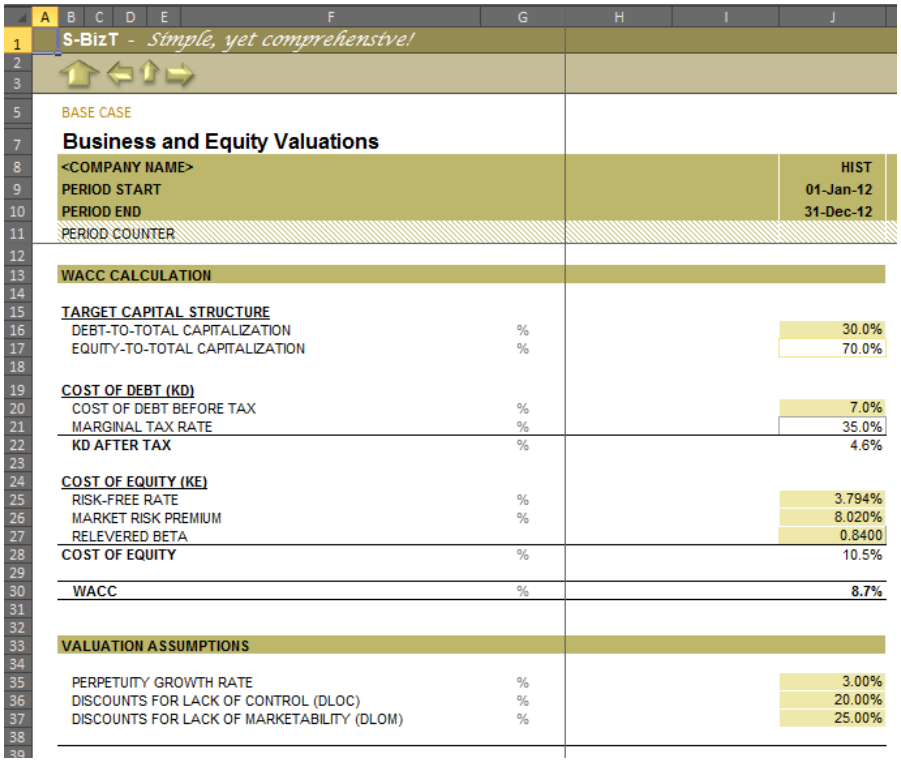
5.3 Assumptions – High Case & Low Case Scenarios



- High Case Assumptions and Low Case Assumptions are other assumptions input for different scenarios, depending on the business nature of your particular company.
- The way to input their assumptions is the same with the way with how to put in assumptions in Base Case scenario, except the GENERAL ASSUMPTIONS part, where they are already linked to the base case scenario assumptions sheet.
- During the course, press the **"High Case" or "Low Case"** buttons regularly to check your **Ending Cash Balance** as presented in row 7.

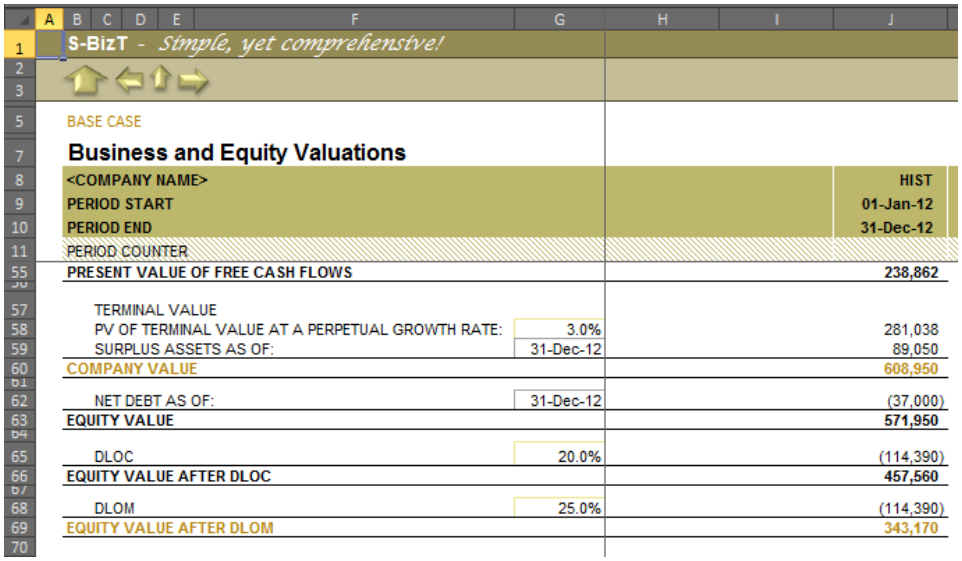


5.4 Valuation



- Investors and banks usually need to know how much your business is worth; therefore S-BizT provides a valuation calculation sheet. The Valuation sheet is where you can calculate your business (company) and company's equity value using the DCF method.

- Input all of the assumptions in the provided cells in light brown color coded accordingly.
- *User might need helps from an experienced person in inputting all the assumptions in this Valuation sheet*



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BASE CASE

Business and Equity Valuations

<COMPANY NAME>		HIST
PERIOD START		01-Jan-12
PERIOD END		31-Dec-12
PERIOD COUNTER		
PRESENT VALUE OF FREE CASH FLOWS		**238,862**
TERMINAL VALUE		
PV OF TERMINAL VALUE AT A PERPETUAL GROWTH RATE:	3.0%	281,038
SURPLUS ASSETS AS OF:	31-Dec-12	89,050
COMPANY VALUE		608,950
NET DEBT AS OF:	31-Dec-12	(37,000)
EQUITY VALUE		**571,950**
DLOC	20.0%	(114,390)
EQUITY VALUE AFTER DLOC		**457,560**
DLOM	25.0%	(114,390)
EQUITY VALUE AFTER DLOM		343,170

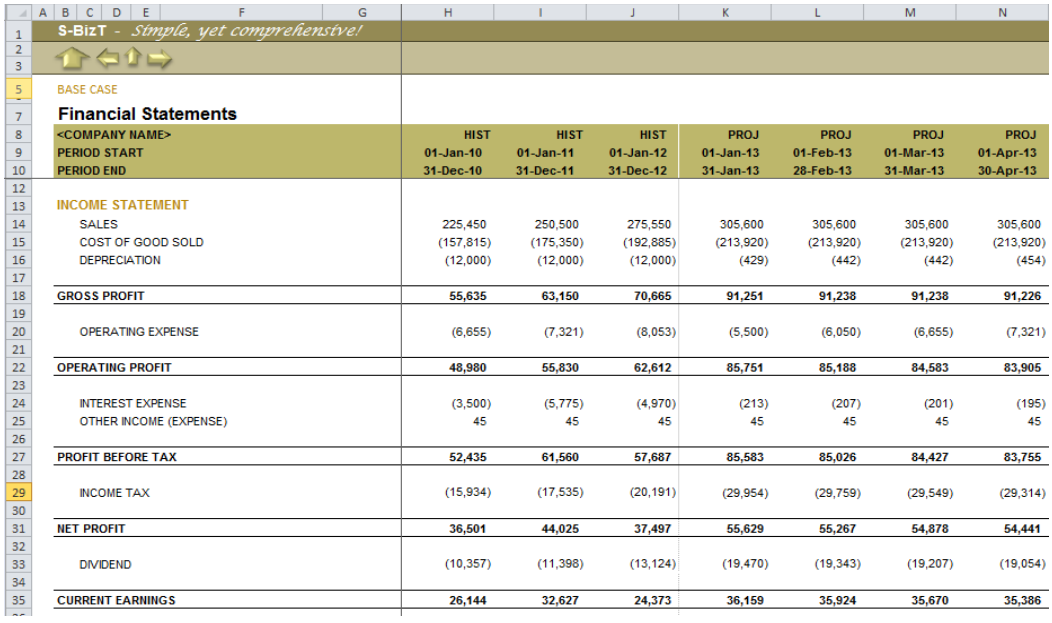
- After inputting the assumptions above, you will get your overall company's and company's equity values.

Outputs

6.1 Description

The output worksheets in the financial model are the result of calculating all the numbers inputted in the assumptions worksheets.

6.1.1 Financial Statements



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BASE CASE

Financial Statements

<COMPANY NAME>	HIST	HIST	HIST	PROJ	PROJ	PROJ	PROJ
PERIOD START	01-Jan-10	01-Jan-11	01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
PERIOD END	31-Dec-10	31-Dec-11	31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
INCOME STATEMENT							
SALES	225,450	250,500	275,550	305,600	305,600	305,600	305,600
COST OF GOOD SOLD	(157,815)	(175,350)	(192,885)	(213,920)	(213,920)	(213,920)	(213,920)
DEPRECIATION	(12,000)	(12,000)	(12,000)	(429)	(442)	(442)	(454)
GROSS PROFIT	**55,635**	**63,150**	**70,665**	**91,251**	**91,238**	**91,238**	**91,226**
OPERATING EXPENSE	(6,655)	(7,321)	(8,053)	(5,500)	(6,050)	(6,655)	(7,321)
OPERATING PROFIT	**48,980**	**55,830**	**62,612**	**85,751**	**85,188**	**84,583**	**83,905**
INTEREST EXPENSE	(3,500)	(5,775)	(4,970)	(213)	(207)	(201)	(195)
OTHER INCOME (EXPENSE)	45	45	45	45	45	45	45
PROFIT BEFORE TAX	**52,435**	**61,560**	**57,687**	**85,583**	**85,026**	**84,427**	**83,755**
INCOME TAX	(15,934)	(17,535)	(20,191)	(29,954)	(29,759)	(29,549)	(29,314)
NET PROFIT	**36,501**	**44,025**	**37,497**	**55,629**	**55,267**	**54,878**	**54,441**
DIVIDEND	(10,357)	(11,398)	(13,124)	(19,470)	(19,343)	(19,207)	(19,054)
CURRENT EARNINGS	**26,144**	**32,627**	**24,373**	**36,159**	**35,924**	**35,670**	**35,386**

FS worksheet is where you can find Income Statement, Balance Sheet and Cash Flow Statements, both for historical data and financial projections as the results of calculations of inputted assumptions.

6.1.2 Break Even Point

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BASE CASE

Break Even Point

<COMPANY NAME>		HIST	HIST	HIST	PROJ	PROJ	PROJ	PROJ
PERIOD START		01-Jan-10	01-Jan-11	01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
PERIOD END		31-Dec-10	31-Dec-11	31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
VARIABLE COSTS								
TOTAL VARIABLE COSTS	US$	145,815	163,350	180,885	213,491	213,478	213,478	213,466
FIXED COSTS								
TOTAL FIXED COSTS	US$	6,655	7,321	8,053	5,500	6,050	6,655	7,321
CONTRIBUTION MARGIN								
SALES	US$	225,450	250,500	275,550	305,600	305,600	305,600	305,600
- VARIABLE COSTS	US$	145,815	163,350	180,885	213,491	213,478	213,478	213,466
= CONTRIBUTION MARGIN	US$	79,635	87,150	94,665	92,109	92,122	92,122	92,134
- FIXED COSTS	US$	6,655	7,321	8,053	5,500	6,050	6,655	7,321
- INTEREST EXPENSE	US$	3,500	5,775	4,970	213	207	201	195
- OTHER EXPENSE	US$	0	0	0	0	0	0	0
- TAXES	US$	15,934	17,535	20,191	29,954	29,759	29,549	29,314
= NET INCOME	US$	**53,546**	**56,520**	**61,452**	**56,442**	**56,105**	**55,716**	**55,304**
CONTRIBUTION MARGIN	%	35.32%	34.79%	34.35%	30.14%	30.14%	30.14%	30.15%
BREAKEVEN IN SALES AMOUNTS OF MONEY	US$	**73,858**	**88,042**	**96,677**	**118,336**	**119,479**	**120,771**	**122,162**

BreakEven worksheet is an output sheet for amount of breakeven of Sales calculation result in term of certain currency (in USD, £, ¥, etc.) depending on the user's currency selection in the general assumptions sheet.

6.1.3 Financial Ratios

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BASE CASE

Financial Ratios

<COMPANY NAME>	HIST	HIST	HIST	PROJ	PROJ	PROJ	PROJ
PERIOD START	01-Jan-10	01-Jan-11	01-Jan-12	01-Jan-13	01-Feb-13	01-Mar-13	01-Apr-13
PERIOD END	31-Dec-10	31-Dec-11	31-Dec-12	31-Jan-13	28-Feb-13	31-Mar-13	30-Apr-13
DUPONT ANALYSIS							
RETURN ON EQUITY (ROE)	26.59%	27.01%	21.32%	26.23%	22.29%	19.35%	17.06%
RETURN ON SALES (ROS)	16.19%	17.57%	13.61%	18.20%	18.08%	17.96%	17.81%
ASSET TURNOVER (ATO)	0.91	0.78	1.01	0.80	0.68	0.61	0.54
ASSET LEVERAGE (ALEV)	1.80	1.98	1.55	1.80	1.82	1.77	1.76
PROFITABILITY							
SALES	225,450	250,500	275,550	305,600	305,600	305,600	305,600
SALES GROWTH	N.A	11.11%	10.00%	10.91%	0.00%	0.00%	0.00%
GROSS PROFIT	55,635	63,150	70,665	91,251	91,238	91,238	91,226
GROSS PROFIT MARGIN	24.68%	25.21%	25.65%	29.86%	29.86%	29.86%	29.85%
OPERATING PROFIT	48,980	55,830	62,612	85,751	85,188	84,583	83,905
OPERATING PROFIT MARGIN	21.73%	22.29%	22.72%	28.06%	27.88%	27.68%	27.46%

Ratios worksheet is an output sheet for a broad range of financial ratios. It consists of profitability ratios, management efficiency ratios, liquidity & leverage ratios, EBITDA and EBITDA related ratios, capital structure ratios, cash flow summary and valuation summary. At the top side of the worksheet, there are DUPONT ratios as a summary of financial ratios calculated beneath.

Aside from Ratios worksheet, there are RatiosBaseCase, RatiosHighCase, RatiosLowCase and AllRatios worksheets, where each of those sheet presenting financial ratios for each case. AllRatios worksheet is where all cases of financial ratios presented.

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